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STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
LANSING

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Analysis of Enrolled House Bill 4423

Topic: Deceptive Telephone Solicitations
Sponsor: Representative Wojno
Co-sponsors: Representatives Polidori, Spade, Rocca, Vagnozzi, Leland, Tobocman, Garfield, Byrnes, Plakas, Shaffer, Bieda, and Lemmons III
Committee: House Energy & Technology
Senate Technology & Energy

Date Introduced: March 1, 2005

Date Enrolled:

Date of Analysis: April 21, 2006

Position: The Department of Labor & Economic Growth supports the bill.

Problem/Background: Until recently, many family dinners were almost invariably interrupted by telemarketer calls. State and federal action to establish “Do Not Call” lists has put a stop to these interruptions. These laws included several exemptions, including those with whom the consumer has an existing business relationship. Unfortunately, some unscrupulous persons seek to take advantage of this exemption by implying or even stating that he or she has a business relationship with the consumer when in fact they do not.

Description of Bills: The bill amends the Home Solicitation Sales Act by declaring it deceptive and unfair to misrepresent in a voice mail message that a consumer has a current business matter or transaction or a current business or customer relationship with the telephone solicitor or another person and request a call back.

Arguments For: Such calls may cause great concern and heightened anxiety to those who receive them. Thinking that another family member may have a business relationship and that their credit may be compromised if they do not call back, consumers may return such calls only to find that a telemarketer is seeking to sell them something.

Arguments Against: The bill is unnecessary. Stiff federal penalties would apply to the conduct prohibited in this bill. Also, the prohibited conduct is arguably already covered by this section of the Michigan Consumer Protection Act prohibiting a telemarketer from making “a false or misleading statement with the purpose of inducing a consumer to pay for goods or services.

Fiscal/Economic Impact:

Budgetary: The bill has no budgetary implications for the department or the state.

Revenue: The bill has no revenue implications for the department or the state.

Local Government: The bill will have no impact on local government.

Other Pertinent Information: The bill is supported by Elder Law of Michigan and the American Association of Retired Persons. There was no opposition to the bill.

Administrative Rules Impact: The bill will have no administrative rules impact.